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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 003052

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SUBJECT: UN SPECIAL REPRESENTATIVE ON SECURITY AND THE INTERNATIONAL COMPACT

Classified By: Charge d'Affaires Daniel V. Speckhard for Reasons 1.4 (b) and (d).

11. (C) Summary. On August 18, the Ambassador met with Ashraf Qazi, the Special Representative of the United Nations Secretary-General for Iraq. Qazi noted that the following

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day would be the third anniversary of SRSG Sergio Vieira de Mello's death, and that the UN mission still faces significant security threats. He discussed his efforts to promote the Baghdad Peace Initiative, constitutional review, and national reconciliation. Regarding the International Compact, some Iraqi leaders are privately expressing doubts about the desirability of implementing economic reforms, although the UN is committed to making it work. Qazi believes that the International Compact preparatory group meeting in Abu Dhabi should be at the senior official, not the ministerial, level. End summary.

Security Challenges for UN Mission

12. (C) Qazi noted that August 19 would mark the third anniversary of the Canal Hotel bombing which killed 17 UN staff members in Iraq, including then-SRSG Sergio Vieira de Mello. Qazi said that this anniversary made it a difficult timeframe for the Secretary-General to express his support of the Baghdad Peace Initiative. Qazi added that a recent IED attack against a UN convoy carrying the deputy special representative had increased fears among the UN staff. According to Qazi, the deputy's life was saved because the primary charge in the IED did not explode. Qazi said that he could not be sure that the convoy was targeted because it was a UN convoy, but no other conceivable target was in the vicinity at the time of the attack.

Constitutional Review and National Reconciliation

13. (C) Qazi said that the UN is planning to invite a small group of the main participants in national reconciliation and constitutional review to meet under UN auspices. He argued that the UN needs to help guide the constitutional review process if it is to stay on track. He said the UN would give the Embassy the main results of its work.

The International Compact

14. (C) According to Qazi, some Iraqi leaders are privately expressing reservations about the International Compact. The

Prime Minister is concerned that he will be forced to make unpopular decisions on economic reform in order to fulfill International Compact requirements. For example, the Prime Minister believes that cutting subsidies could lead to strikes or demonstrations. The Ambassador responded that Iraq should adopt the reforms because they would benefit the economy even in the absence of the Compact. That said, he stressed that the Compact will ensure an appropriate social safety net covers the neediest Iraqis and that the international community will be committed to ensuring the reform process proceeds at a sustainable pace.

15. (C) Qazi acknowledged that Deputy Prime Minister Barham Saleh is concerned that the UN will not be fully committed to the International Compact. In fact, Qazi said, the UN Secretary General strongly supports the International Compact

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and will be officially launching it on the margins of the UN General Assembly. (Note: UN SYG Annan has invited select foreign ministers to a September 18 briefing on Iraq, in which the Compact will be highlighted, on the margins of UNGA.)

Abu Dhabi Preparatory Group Meeting

17. (C) Qazi said that he does not believe that the International Compact preparatory group in September should be a ministerial-level meeting because it will be occurring so close in time to the UN General Assembly meetings. He feels that the preparatory group meeting should be at the "senior official level" instead. (Note: DPM Saleh has requested prep group countries be represented at the FM level or above. We understand that a date of September 10 date was tentatively selected, in part, to facilitate attendance by UN DSYG Malloch Brown, World Bank President Wolfowitz and

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possibly EU HighRep Solana.)

The Question of Sadr

18. (C) Qazi asked whether the USG is open to dialogue with Moktada al-Sadr. The Ambassador responded that the USG is open to such a dialogue but al-Sadr appears unwilling to reciprocate. Qazi noted that al-Sadr appears to change his advisors frequently, thus making it difficult to establish communications with him. SPECKHARD